This is primarily a team project course in which you will learn why, when, and how to develop successful new products and services.

**Overview of the Course**

For students who have a keen interest in strategy and the development and introduction of new ideas, this course provides a comprehensive understanding of the principles of successful new products and services, processes for developing and bringing new ideas to market, and methods for evaluating and measuring the success of those ideas. This course will benefit students who are interested in pursuing careers in marketing, product and service management, brand management, and entrepreneurial ventures. A reasonable familiarity with marketing strategy and marketing research will be beneficial as you will have the opportunity to apply and deepen these fundamentals. The course is a combination of theory, case studies, in-class team labs, guest lectures, and practical tools and techniques - all of which you will use in your team project – the primary course deliverable. In your team projects, you will have the opportunity to bring a new product to market based on an underlying marketing strategy (i.e. attack, defend, create new market, etc.). The project is condensed into 10 weeks. While 10 weeks may seem like a short amount of time in which to bring a new product to market, it is actually very representative of today’s business environment. For example, Spanish fashion retailer, Zara, brings 10,000 new items to market every year with a time to market of less than four weeks. Of course, depending on the industry, product development cycles can vary dramatically.

In the lectures, we will cover the phases of the new product process – from insight to launch. You will also have the opportunity to learn techniques to use in the various stages including discovery, ideation, concept formation, and migration path development. Following lectures, we will discuss cases and execute in-class labs designed to illustrate how the principles might be applied in practice as well as give you the opportunity to develop your product in real-time. At times, we will be joined by industry practitioners who will help to enrich the learning experience.
**Required Material**

- Course Packet

**Supplemental Reading (not required, but suggested)**

You may find some of these additional readings useful references.


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<thead>
<tr>
<th>Evaluation of Work</th>
<th>Weight</th>
<th>Context</th>
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<tbody>
<tr>
<td>• In-class Contributions (includes cases)</td>
<td>15%</td>
<td>Individual</td>
</tr>
<tr>
<td>• Exam</td>
<td>25%</td>
<td>Individual</td>
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<tr>
<td>• Team Project - Presentation</td>
<td>25%</td>
<td>Group</td>
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<tr>
<td>• Team Project - Written Report</td>
<td>35%</td>
<td>Group</td>
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Each of these is discussed below.

1. What is the profile of an outstanding in-class contributor?

The difference between in-class participation and in-class contribution is in the relevance and quality of your questions and comments. Participation involves showing up and speaking. Contribution involves reflection, analysis, and synthesis of the principles, cases, and applications discussed in the course. You will be assessed on your contributions.

Outstanding in-class contributors:

• arrive on-time and prepared

• take time to compose their thoughts, promote and defend their positions before presenting them to the class (note: the amount of time required for thought composition is, of course, highly variable, i.e. some outstanding contributors think very quickly on their feet, others need more time to formulate a position or question; the relative speed of your analysis is not as significant as the quality and relevance of comments and questions that result from your analysis)

• take in-class discussions in meaningful directions – as evidenced by their ability to surface “new insights” or dive deeper into an issue rather than echoing previous insights of their fellow classmates

• actively listen to fellow classmates’ questions and comments (e.g. they seek to answer questions posed by their classmates if prepared to do so)

• elevate the overall quality of the in-class experience through their passion for the material

• participate in active Q&A during the team presentations at the end of the quarter (see Team Project – Presentations below for more information)

You will have many opportunities to exercise your skill as an in-class contributor. The primary, but not exclusive, opportunity will be during case discussions. If you are not well prepared, it is better to admit it and pass when I cold call on you, than to take a shallow position that distracts from those who have prepared a meaningful and thorough analysis of the issues. During the case discussions, it is imperative to introduce your analysis. This may entail constructively challenging other opinions and analyses and putting your analysis into the appropriate context (e.g. given factors x, y, and z in the case and given a, b, c issues we’ve discussed in lecture, I would conclude the following...). If you fear that your raised hand is being overlooked, please see me early in the quarter so that I can correct this error on my part. Your class contribution score starts at 0 and can increase or decrease (yes, it can be negative). Positive contributions
increase your score. Frequent absences from class, poor preparation, and detrimental participation decrease your score. Proper classroom etiquette is expected and includes: 1) arrive on time and prepared, 2) make no sidebar comments to your neighbors, 3) treat your teams work seriously, and 4) when challenging a comment of your fellow classmates, attack the position, not the person. Violations are rude and disruptive to the class, but are not an Honor Code violation.

2. How do I execute a Case Write-up?

A detailed description the case write-ups will posted to the course website. In this document, you will find questions to assist you with preparing each case. You may discuss your analysis of the case with anyone in the class, but the write-ups should be done individually. Case write-ups are due following the class in which they are discussed. You must hand-in a type-written paper copy following the class in which the case is discussed. Hand-written copies will not be accepted. The cases are included in your course participation grade.

3. What is the intended purpose and coaching meetings?

Throughout the quarter, you and your team should plan to schedule meetings with me to help provide coaching and guidance to your team’s efforts. These meetings are informal in nature and intended to help your team focus, make decisions, clarify unanswered questions, and generally help you improve the uniqueness and relevance of your ideas. I am available to you at any time; however, it is highly-recommended that you schedule at least (2) meetings with me as a team prior to your final presentation. I would recommend scheduling one meeting once you’ve identified the fundamental problem you are seeking to solve and have a sense of how to solve it. The second meeting, I would recommend scheduling near the end of the quarter once you have your story defined.

4. What are Team Project Presentations and how are they evaluated?

The last two class periods are reserved for team presentations. Half of the teams will present in the second-to-last class, the other half will present in the last class. You will present your project in one class and evaluate the projects of your classmates in the class in which you are not presenting (acting as “Executive Management”). As Executive Management, you will be asked to complete an assessment of each teams’ presentation. This is considered part of your in-class contribution as well as taken into account when I evaluate each team’s presentation. Students who are not in attendance for presentations will be penalized via your course contribution grade. Team project presentations will be evaluated based on a number of factors which will be available on the course website. Among the factors evaluated: strategic fit between the unmet need, underlying brand equity (if relevant) and your product or service, uniqueness of the idea, creativity employed, ability to engage and maintain audience interest, feasibility, and others.

5. What is the Team Project Report?

You should plan to work on the project for the entire quarter – this is not a project that you can start at the last minute. The lectures and case discussion each week should mirror your progress on the project. Your project should be progressing at the same pace. If you keep up with your milestone assignments, you will remain on track. Your team should plan at least (2) meetings with me during the course of the class in order to get feedback on your progress – suggested: once you’ve identified your idea; once you’ve created your “success criteria” (including
assumptions) and experimentation plans. It is critical that you seek out feedback on the scale, scope and direction of your project. When grading your final written projects, I will be looking for how well your team handled incorporating feedback into your final presentation.

6. Grading

Your course grade is a weighted average of in-class contribution (including cases), individual exam, team presentation, and the team oral report. As most all Kellogg students are very attentive to deadlines, I don’t expect this to be an issue; however, if you face extraordinary or extenuating circumstances and will not be able to meet a deadline, you must contact me well in advance to discuss the situation. Re-grade requests must be submitted within 48 hours from when the assignment is returned. Along with the graded assignment, you must attach a letter explaining why you are requesting a re-grade. While I will consider the specific concerns raised in your letter, I will re-grade the entire assignment. Please remember that small changes in your grade on a single assignment typically do not affect your overall course grade.

7. Honor Code

The Kellogg Honor Code is applicable in this class. The complete text of the Honor Code is available on the Honor Code web site.

http://www.kellogg.northwestern.edu/stu_aff/policies/honorcode.htm

Honor Code issues seldom arise because of Kellogg’s culture. However, in the event that there is an issue, violations will be reported and the appropriate disciplinary actions will apply according to The Honor Code.

General ethics and honor code concerns may apply to the specific components of this course as follows:

- **IP Issues and NDAs:** Your team project may include intellectual property issues, for example, if you choose to do a project on a product you may one day launch, or for a company for which you may one day work. You are responsible for discussing these issues with your teammates, classmates, and professor. It is strongly recommended that you have a signed non-disclosure agreement for sensitive issues before you begin working together on your project. You will also need to present your project to the professor and to the class. If you project is “Top Secret” it may not be suitable as a class project.

- **Doing Individual Work:** You may discuss cases with other students in the class but the final case write-up must be done individually. You may not use materials containing case analyses from other sources. This includes, but is not limited to, material from current and former Kellogg students. Similarly, students may not use materials distributed by faculty to previous classes (e.g. a case summary handed out to last year’s class).

- **Working in Groups:** I expect you to have a full understanding of any written material you, or somebody else on behalf of you, submit(s) with your name on it. You must come to this understanding in collaboration with your group and you must be completely familiar with the material and be able to answer questions about the assignment (e.g. course project). Substantial contribution by each group member is expected. The act of signing the assignment signifies that you have substantially participated in the preparation of the assignment. Manage “team crises” within your group first, before bringing issues to me (e.g. if you have a free rider problem on your team, attempt to remedy it within the group. Self-govern).
The discussion in this syllabus of the Honor Code, while intended to be as comprehensive as possible, may not cover all applications of the Honor Code. If you believe something is unclear or omitted, please do not hesitate to bring this to my attention.

8. **Laptops**

Blackberries, Laptops, Sony Playstations, and other wireless accoutrement are only allowed during the in-class “lab” sessions of the course.
## 9. Course Outline

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<thead>
<tr>
<th>Date</th>
<th>Class Content</th>
<th>Pre-class Reading</th>
<th>Deliverables Due</th>
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</table>
| 1    | Course Overview & Objectives  
      The Innovation Intent |                   |                  |
| 2    | Why Great Ideas Fail  
      Principles of Failed Products | Look First to Failure  
      How Failure Breeds Success | Failed Product Defense  
      Team Presentations  
      (each team will present in class) |
| 3    | The Anatomy of a Great Idea | Knowing a Winning Business Idea When You See One  
      2006 Annual Design Awards |                  |
| 4    | Principles & Process of Innovation | The Weird Rules of Creativity  
      How to Kill Creativity | MILESTONE 1: your team’s desired industry |
| 5    | Discovery I: Problems & Beliefs  
      Identifying Unmet Customer Needs  
      Identifying and Challenging Conventional Wisdom | Turning Customer Input into Innovation  
      Customers as Innovators: A New Way to Create Value |                  |
| 6    | Insights Lab I: Customer Insights  
      & Challenging Conventions | Tools for the Lab will be handed out in class. |                  |
| 7    | Discovery II: Assets & Opportunities  
      Identifying & Defining Disruptive Trends  
      Identifying & Defining Organization Core Competencies  
      & Brand Equity | MILESTONE 2: your team’s findings from Insights Lab I. *This would be a good point schedule your team’s meeting. |                  |
| 8    | Insights Lab II: Disruptive Trends  
      & Core Competencies or Brand Equities | Tools for the Lab will be handed out in class. |                  |
| 9    | Innovation Lab: Creating a Portfolio of New Ideas | Playing Around with Brainstorming  
      Creativity Under the Gun | MILESTONE 3: your team’s findings from Insights Lab II. |
| 10   | Guest Innovator, Tom Stat (IDEO) | IDEO Product Development |                  |
| 11   | Positioning New Products |                  |                  |
| 12   | Pricing New Products | McKinsey’s Pricing New Products article  
      Medi-Cult Case | Medi-Cult Case Questions |
| 13 | **Learning Agenda Lab: Creating Experimentation & New Product Testing Plans** | Tools for the Lab will be handed out in class. |
| 14 | **CASE: Sony AIBO** | SONY AIBO Case | Sony AIBO Case Questions |
| 15 | **Organizing for Innovation** | Darwin and the Demon | Inside Nathan Myhrvold’s Mysterious New Idea Machine |
| 16 | **EXAM** |  |
| 17 | **The Anatomy of the Pitch** |  |
| 18 | **Navigating the Organization Politics of New Ideas** | Creativity Is Not Enough | Inspiring Innovation |
| 19 | **TEAM PRESENTATIONS:** Group A Presents / Group B Evaluates |  | Group Presentations |
| 20 | **TEAM PRESENTATIONS:** Group B Presents / Group A Evaluates |  | Group Presentations |

**Reading Assignments & Course Notes**

See the syllabus for class pre-reading assignments. As we progress through the Quarter, you will receive additional documents including “tools” to be used in the lab sessions as well as lecture notes / slides. Paper copies of lecture notes will be distributed in class only.